



State of Missouri Communications

Cost Allocation Plan

Fiscal Year 2009

Fiscal Year 2009

Office of Administration Information Technology Services

**State of Missouri communications
Cost Allocation Plan
Fiscal Year 2009**

Table of Contents

Title	Page(s)
Background and General Description	3-7
Contact Information	8
Detailed Budget	9-15
Rate Derivation	16-31
Rate Summary	32

Background and General Description

Purpose

This document explains the methodology utilized by the Information Technology Services Division in developing rates for communications services provided to state agencies, colleges, and universities. The authorization to develop rate structures and establish a charging system is provided under Chapter 37, RSMo 1986.

This Cost Allocation Plan, and the process by which it is developed, is consistent with the revolving administrative trust fund methodology utilized by the Information Technology Services Division the past several years. The estimated expenditures and rates set forth herein provide the means for ensuring full cost recovery based on agency use of services. As with any plan, actual events and historical data will require close monitoring and some revisions.

Pricing Concepts

The major objective of the Information Technology Services Division is to provide state agencies and organizations cost effective and efficient shared communications resources. Achievement of this objective results in improved productivity in state government and more effective delivery of governmental services to the citizenry by state agencies.

The charging systems or objectives associated with this Cost Allocation Plan methodology can be summarized as follows:

1. establish usage sensitive pricing of services
2. provide rate stabilization
3. develop a cost for the total communications service package which is less than can be obtained elsewhere
4. provide agencies maximum flexibility in controlling use
5. minimize the impact of future rate changes and/or cost increases
6. maximize economies of scale opportunities available through resource sharing.

Revolving Administrative Trust Fund

The revolving administrative trust fund was established to receive funds paid or transferred to the Office of Administration by agencies of the state for goods and services utilized by such agencies. Spending ceiling authorization is enacted annually by appropriation and any unencumbered balance in excess of 1/8 of the amount appropriated to the revolving

administrative trust fund at the close of the fiscal year reverts to the general revenue fund in accordance with other provisions of the law. No monies are actually provided to the Office of Administration under this appropriation. The funds to pay for communications services are appropriated by the General Assembly directly to the state agencies, colleges, and universities. Payment for communications services are made by the Office of Administration from the revolving administrative trust fund. The fund is then replenished by monthly billing to state agencies, colleges and universities based on the use of services.

Expenditure Planning

One of the key components of this Cost Allocation Plan is developing an overall schedule and general allocation of anticipated expenditures. The expenditure plan contained in Section C of this report reflects the best estimate of the costs required to provide communications services to state agencies over a twelve month period.

Development Methodology

A cost-based development methodology was employed in establishing the billing rates detailed in Section E of this plan. The benefits of this cost based methodology are two fold: (1) as a full cost approach, both direct and indirect costs are included, and the problem of under or over recovery of communications total budget costs is minimized, (2) it provides an equitable method for cost recovery; i.e., the rate is based on the amount of resources utilized.

The methodology for development of this Cost Allocation Plan can generally be summarized as the execution of the following eight work steps:

1. Determine Services Provided

The types of services provided by the Telecommunications and Network sections are based on the requirements of state agencies and are typically similar to services provided by regulated telephone utilities, facility based carriers, other common carriers, and resellers of inter-city telecommunications services. These services are provided by the Office of Administration when the state can obtain enhanced shared features and realize economy of scale.

2. Establish Units of Service

The unit of service utilized to measure the volume of service provided for each service type was established based on three major criteria: relationship to the function performed, measurability, and level of control which can be exercised by the customer agencies.

3. Compile Estimates of Utilization

The Fiscal Year 2008 utilization of each service category was compiled. The category estimates were then used as a basis for projections or estimates for Fiscal Year 2009 of each type of service.

4. Identify Types of Costs

Two basic types of costs were identified: (1) allocated direct; and (2) allocated indirect. Allocated direct costs were those costs that can be directly identified with providing a type of service. Costs allocated indirectly are related costs that cannot be directly identified with providing a specific type of service.

5. Determine Allocated Direct Costs

Budgeted expense and equipment costs that could be directly identified with providing a specific type of service were accumulated to determine total allocated direct cost by type of service. In some cases an expense or equipment cost applies to more than one service category. The cost is then split by percentage among the appropriate type of service.

6. Determine Allocated Indirect Costs

Budgeted expense, equipment and personnel costs that could be indirectly identified with providing a specific type of service were accumulated to determine total allocated indirect cost by type of service.

7. Summarized Total Cost by Service

Total cost by service was determined by adding the direct and indirect allocated costs.

8. Calculate Cost Per Unit of Service

The cost per unit of service was calculated by dividing the total annual cost by the total estimated annual utilization.

Service Category Definitions

Centrex Access

The basic unit of service provided by State Telecommunications to customers is access (dial tone). Embarq provides this service under the service mark of Centrex in Jefferson City, Rolla, Warrensburg and Maryville. This basic unit of service allows customers the ability to receive calls from any customer of the world-wide telecommunications system. Also associated with this basic service unit is the unlimited ability of Jefferson City, Rolla, Warrensburg and Maryville customers to call other customers within their system with four or five digit dialing. This category also includes some other Embarq service areas and additional locations will be added throughout the year. Service to Butler, California, Clinton, Lebanon and Warsaw was added in Fiscal Year 2003. Major cost components identified with this service element are the line charges and features which allow transmission and receipt of calls from the nationwide toll centers and the Federal End User charge.

Dedicated Long Distance

Within the Dedicated Long Distance rate are those costs for the dedicated facilities to terminate the AT&T T1s onto the state's PLEXAR and Centrex services and the cost per minute for the usage that either completes or originates using a PLEXAR or Centrex telephone line. Also included in this rate are the private T1s and central office components for locations that warrants dedicated facilities due to call volumes.

Switched Long Distance

Switched Long Distance is the cost-per-minute usage for calls originating from a state telephone line referred to as a Business Line, IFB or tariff local service. In other words, this category would be for any usage originating from a state telephone line other than a line defined as a PLEXAR or Centrex.

PLEXAR Access

Access (dial tone) is the basic unit of service provided to customers in cities served by AT&T Telephone Company and has the trademark of PLEXAR. This basic unit of service allows customers to receive calls from any caller on the worldwide telecommunications system. It also permits customers to have the unlimited ability to place calls on the local and state networks and allows three, four and five digit dialing within their system. The major cost elements associated with this service are the feature and station line charges and the Federal End User charge.

Data Circuits

Data circuit service is the physical facility and PVCs costs that are used for transport of data applications. Physical facilities include intrastate (inter and intra LATA) and interstate circuits connecting two or more locations together on a dedicated basis as well as MPLS, Frame Relay and local circuits. In general, this service provides the agencies with the order processing, billing functions and contract administration required with the dedicated data circuits. The cost element with this service is the circuit costs and an administrative fee.

Voice Mail

This category of service provided to customers is access from the central office to the systems located in Jefferson City, Hannibal, Carthage, St. Joseph, Kansas City, Springfield, Sikeston, Hillsboro, Neosho, Nevada, Sedalia, Lee's Summit, Cape Girardeau, Farmington, Poplar Bluff, New Madrid, Joplin, St. Charles and St. Louis. The cost elements of this service include a monthly lease charge for the boxes in Warrensburg and Rolla as well as maintenance on owned systems.

Pass-Through Telephone Service

Pass-Through service is the process by which the charges billed by the telephone vendors are in turn billed to the appropriate agencies. Charges incurred for services such as local service, toll, and calling cards etc. are billed to the agencies with an administrative fee added.

Toll-Free

This category is for Toll-Free service such as 800, 888, 877 and 866 numbers where agencies pay the per-call costs instead of the caller. The cost elements for this service include circuit, per minute service cost and an administrative fee.

Internet Services

Internet Services supplied to state agencies include bandwidth, redundancy, security measures, monitoring and troubleshooting. These services enable state employees to access a wealth of information available on the Internet, as well as allowing state agencies to provide information and e-business services to our customers. Agencies can also additionally utilize these services for VPN (virtual private network) connectivity to remote users or offices, as well as other services such as videoconferencing connectivity to locations outside the boundaries of state government.

Network and Security Connections

Network and Security Connection services represent the “core” network and security functions provided to all state agencies. As the enabler for connectivity from any agency to enterprise applications (e.g., SAM II), inter-agency electronic communications, or agency connectivity to the Internet, these services also provide various levels of security and redundancy for the customer structures. In addition, technical and consulting services are provided to agencies through this category.

Wireless Service

Wireless Service includes the purchase of wireless handheld devices and monthly service plans for Blackberry devices, PC modem cards, cellular phones, etc.

Contact Information

- **Deputy of Infrastructure**
Chris Wilkerson
- **Deputy of Finance**
Arlan Holmes
- **Director of Networks and Telecommunications**
Pete Wieberg
- **Telecommunications Services & Support**
Nancy Bochat
- **Network Infrastructure Support**
Dan Hood
- **Fiscal Services**
Joyce Crawford

**State of Missouri Communications
Cost Allocation Plan
Fiscal Year 2009
Detailed Budget**

Personnel Service			Budget Amount FY08	Budget Amount FY09
1	100%	Account Clerk II	\$27,778	\$24,572
2	100%	Account Clerk II	\$24,572	\$24,572
3	100%	Account Clerk II	\$24,572	\$24,572
4	100%	Account Clerk II	\$24,572	\$25,375
5	100%	Accountant I	\$24,955	\$29,577
6	100%	Accountant I	\$27,563	\$29,577
7	100%	Accountant I	\$35,313	\$35,313
8	21%	Administrative Office Support Assistant	\$0	\$7,416
9	21%	Computer Info Tech Spec I	\$12,399	\$12,399
10	100%	Computer Info Tech Spec I	\$53,296	\$53,291
11	20%	Computer Info Tech Spec II	\$11,574	\$11,574
12	21%	Computer Info Tech Spec II	\$11,903	\$11,903
13	20%	Computer Info Tech Spec II	\$13,136	\$13,137
14	21%	Computer Info Tech Spec II	\$61,615	\$12,938
15	20%	Computer Info Tech Spec III	\$13,416	\$13,416
16	20%	Computer Info Tech Spec III	\$13,416	\$13,416
17	21%	Computer Info Tech Spec III	\$14,689	\$14,689
18	100%	Computer Info Tech Spec III	\$63,765	\$65,675
19	100%	Computer Info Tech III	\$0	\$48,080
20	70%	Computer Info Tech Supv I	\$35,049	\$35,049
21	100%	Computer Info Tech Supv II	\$69,945	\$69,945
22	100%	Computer Info Tech I	\$34,027	\$37,290
23	21%	Designated Principal Asst Dept	\$25,335	\$25,335
24	21%	Designated Principal Asst Div	\$18,073	\$19,143
25	21%	Designated Principal Asst Div	\$18,073	\$19,143
26	21%	Designated Principal Asst Div	\$18,073	\$19,143
27	21%	Executive I	\$8,444	\$8,443
28	25%	Executive II	\$0	\$10,052
29	25%	Fiscal and Administrative Mgr B2	\$14,469	\$15,889
30	12%	Miscellaneous Professional	\$174	\$3,568
31	21%	Office of Administration Mgr 2	\$15,597	\$15,597
32	21%	Office Support Asst (KEYBRD)	\$5,431	\$5,594
33	21%	Sect Mgr Div of Info Svcs	\$16,020	\$16,021
34	100%	Special Asst Professional	\$74,271	\$74,271
35	100%	SR Office Support Asst (CLERICAL)	\$28,527	\$24,572
36	100%	SR Office Support Asst (CLERICAL)	\$28,057	\$28,057
37	100%	SR Office Support Asst (CLERICAL)	\$29,516	\$29,516
38	100%	Sr. Office Support Asst (CLERICAL)	\$23,855	\$24,572
39	25%	Sr. Office Support Asst (KEYBRD)	\$0	\$7,014
40	100%	Telecommunications Analyst I	\$30,272	\$31,180
41	100%	Telecommunications Analyst II	\$35,955	\$35,955
42	100%	Telecommunications Analyst II	\$35,955	\$35,955
43	100%	Telecommunications Analyst II	\$36,610	\$36,610
44	100%	Telecommunications Analyst III	\$47,178	\$47,178
45	100%	Telecommunications Analyst III	\$53,296	\$53,296

State of Missouri Communications
Cost Allocation Plan
Fiscal Year 2009
Detailed Budget (Continued)

Personnel Service (Continued)			Budget Amount <u>FY08</u>	Budget Amount <u>FY09</u>
46	100%	Telecommunications Analyst III	\$54,359	\$54,359
47	100%	Telecommunications Analyst IV	\$49,106	\$49,106
48	100%	Telecommunications Analyst IV	\$54,359	\$54,359
49	100%	Telecommunications Analyst IV	\$54,359	\$54,359
50	100%	Telecommunications Analyst IV	\$57,870	\$57,870
51		Overtime, Unallocated PS	\$40,704	\$44,098
99		Fringe Benefits	<u>\$514,986</u>	<u>\$605,612</u>
Total Personnel Service:			\$1,986,375	\$2,119,641

**State of Missouri Communications
Cost Allocation Plan
Fiscal Year 2009
Detailed Budget (Continued)**

Communications Expense and Equipment		Budget Amount FY08	Budget Amount FY09
J901	Hardware Maintenance - Network & Security	\$62,979	\$140,544
J902	Hardware Maint - Firewall	\$28,792	\$0
J903	Hardware Maint - Network Routers	\$48,773	\$0
J904	Software Maint - Network & Security	\$20,586	\$48,086
J905	Software Maint - Network Troubleshooting SW/HW	\$27,500	\$0
J906	Hardware Purchase - Network & Security	\$30,000	\$184,000
J907	Hardware Purchase - Network Switches, Hubs, and Router	\$150,000	\$0
J908	Hardware Purchase - Tools for Staff	\$4,000	\$0
J909	Managed WAN Equipment	\$0	\$0
J910	Consulting Service - Network & Security	\$10,000	\$10,000
J911	Wiring and General Services - Network & Security	\$25,000	\$25,000
J105	Server Hardware Upgrades	\$19,515	\$0
J106	Hardware, Software, Maintenance	\$0	\$153,095
J107	RealSystem Server Prof. Software Maint.	\$19,200	\$0
J108	Server Software Upgrades	\$161,000	\$0
J109	Virus & AntiSpam Software	\$27,611	\$0
J110	Secure Transaction Software	\$10,000	\$0
J111	Digital T1 (PRI) Data Circuits	\$3,200	\$19,515
J112	Modem Pool Management Fee	\$4,600	\$0
J113	Equipment Maintenance	\$0	\$0
J114	MoreNet Affiliate Fee	\$20,750	\$19,300
J115	MoreNet Primary Connection	\$30,000	\$172,500
J116	MoreNet Secondary Connection	\$5,000	\$104,250
J117	MoreNet Connection Management Fee	\$71,000	\$0
J119	Staff Support	\$11,000	\$0
J121	MoreNet Consulting	\$0	\$20,000
J127	MoreNet Internet Connection Fee	\$0	\$12,800
J128	MoreNet Kinetic Mail & Webhosting Service	\$0	\$0
J129	MoreNet Funding Shortfall Assessment	\$1,200	\$0
J130	MySQL Annual Licensing Fees	\$1,725	\$0
J131	"SDC Hub Fee" Adjustment	\$1,250	\$0
J132	Telephones	\$1,251	\$0
JR01	Centrex Lines - Embarq	\$3,312,811	\$3,287,972
JR02	Centrex Tax & Misc - Embarq	\$268,811	\$263,418
JR03	Centrex Fed End User - Embarq	\$634,554	\$489,137
JR04	T1 Terminations (Plexar)	\$634,554	\$218,231
JR05	Dedicated Long Distance Usage	\$988,686	\$798,785
JR06	Plexar Lines - AT&T	\$2,291,303	\$2,130,803
JR07	Plexar VFG Trunks - AT&T	\$878,592	\$982,145
JR08	Plex Fed End User 9ZR - AT&T	\$1,654,031	\$1,501,050

State of Missouri Communications
Cost Allocation Plan
Fiscal Year 2009
Detailed Budget (Continued)

Communications Expense and Equipment (continued)		Budget Amount FY08	Budget Amount FY09
JR09	Plex Fed End Eucl Credit - AT&T	-\$1,461,036	-\$1,370,313
JR10	Plexar Miscellaneous - AT&T	\$214,150	\$193,844
JR11	Other Centrex Line Charges	\$12,851	\$0
JR12	Voice Mail Circuits	\$147,671	\$158,746
JR13	Centrex Pass-Through - Embarq	\$493,903	\$468,561
JR14	Toll-Free Service Pass Through	\$900,000	\$159,691
JR15	Cellular	\$1,000,000	\$0
JR16	Plexar Pass Through - AT&T	\$274,609	\$194,785
JR17	Business Line Service	\$1,256,258	\$1,301,734
JR18	Toll Usage on Business & Plexar Invoices	\$55,161	\$48,926
JR19	Directory Assistance	\$40,653	\$24,646
JR20	Directory Purchase	\$2,071	\$2,076
JR21	Toll-Free Termination Charges - AT&T	\$2,748,192	\$53,292
JR22	Jeff City Music On Hold Circuit	\$977	\$1,009
JR23	Network Expansion	\$0	\$0
JR24	Metropolitan Area Network Services	\$167,952	\$420,868
JR25	SMDR - AT&T	\$846	\$806
JR26	ARS Package - AT&T	\$2,402	\$2,402
JR27	Satellite Services	\$25,866	\$542,386
JR28	Contract Long Distance Service	\$872,513	\$880,080
JR29	Calling Card Usage	\$74,276	\$41,135
JR30	Frame Relay & Tariff Circuits	\$4,907,674	\$3,205,546
JR31	Dial-Up Internet Access Service	\$164,028	\$248,995
JR33	Service Center Transport Cost	\$40,233	\$39,539
JR34	LD Terminations (Plexar) - AT&T	\$74,052	\$92,247
JR35	Network Transport Circuits	\$2,388,686	\$2,484,478
JR36	Voice T1's (DMS to DMS)	\$174,000	\$174,000
JR37	ISDN-PRI	\$392,418	\$709,840
JR38	Tolls on Centrex Invoices	\$2,169	\$6,104
JR39	Voice Grade Circuits	\$87,177	\$67,162
JR40	Other Centrex Pass-Through	\$1,472	\$1,689
JR41	Wireless Services	\$932,304	\$3,000,000
JR42	ISDN - BRI	\$0	\$0
JR45	Toll Free Usage	\$0	\$2,729,268
JR46	MPLS	\$0	\$900,000
JR47	International Usage	\$0	\$72,000
JT01	Prof. Training, Seminars and Education	\$5,000	\$0
JT40	Voice Mail Maintenance	\$104,737	\$104,737
JT41	Voice Mail New Equipment	\$4,000	\$360,000
JT42	Telephones	\$1,500	\$0
	Total Expense & Equipment	\$27,235,245	\$27,900,910

**State of Missouri Communications
Cost Allocation Plan
Fiscal Year 2009
Detailed Budget (Continued)**

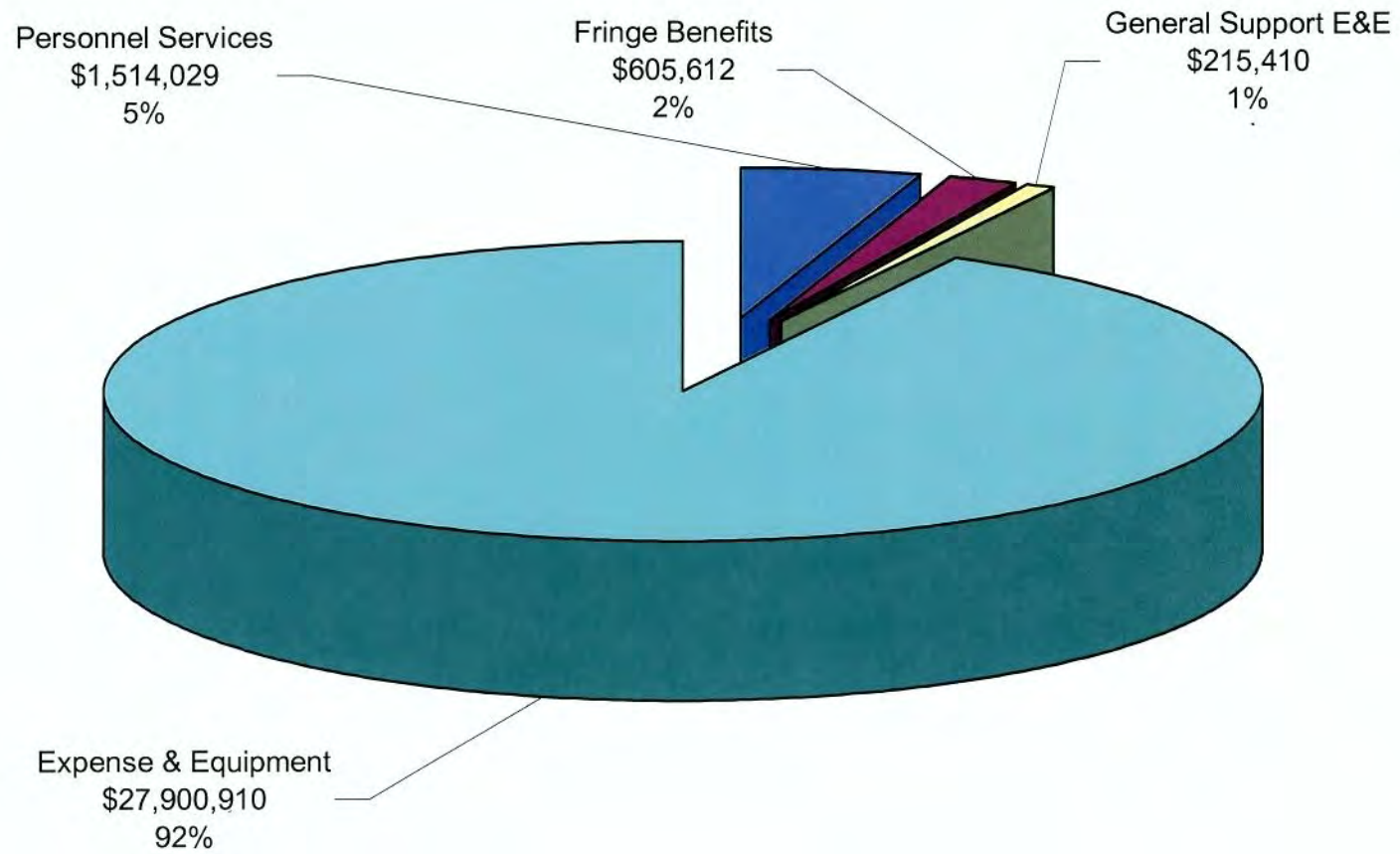
General Support (Indirect) Expense and Equipment		Budget Amount FY08	Budget Amount FY09
JT02	In State Mileage	\$1,500	\$1,500
JT03	In State Lodging	\$4,000	\$4,000
JT04	In State Meals	\$1,500	\$1,500
JT05	In State Other	\$250	\$250
JT06	Out State Mileage	\$500	\$500
JT07	Commerical Trans.	\$2,750	\$2,750
JT08	Out State Lodging	\$3,000	\$3,000
JT09	Out State Meals	\$500	\$500
JT10	Out State Other	\$75	\$75
JT11	Office supplies	\$3,500	\$3,500
JT12	Postage	\$8,000	\$8,000
JT13	Subscriptions	\$50	\$50
JT14	Other Admin Supplies	\$100	\$100
JT15	Vehicle Repair	\$2,500	\$2,500
JT16	Motor Fuel	\$1,000	\$1,000
JT17	Memberships	\$5,000	\$5,000
JT18	Training	\$10,000	\$15,000
JT19	Tuition	\$2,000	\$2,000
JT20	Telcom Supplies	\$6,000	\$6,000
JT21	Telcom Charges	\$16,000	\$17,500
JT22	Internet	\$350	\$350
JT23	Cellular charges	\$1,500	\$1,500
JT24	Pagers	\$500	\$500
JT25	Express services	\$100	\$100
JT26	Printing	\$2,500	\$2,500
JT27	Temporaries or Compco consulting	\$12,000	\$60,000
JT28	SDC charges	\$10,000	\$10,000
JT30	Computer Hardware Maint.	\$600	\$600
JT31	Software Maintenance- Compco and TMetrics	\$49,735	\$49,735
JT32	Office Equip Maint.	\$400	\$400
JT33	Udr-Thshld Office equip	\$0	\$0
JT34	Desktop Computer Equip.	\$200	\$10,000
JT35	Software	\$2,500	\$2,500
JT36	Comm. Equip.	\$1,500	\$1,500
JT37	Office Furniture	\$250	\$250
JT38	Office Equip.	\$500	\$500
JT39	Food	\$250	\$250
JT44	In-State Commercial Trans-Other	\$0	\$0
JT45	Out-State Commercial Transportation Other	\$0	\$0
JT46	Information Technology Supplies	\$0	\$0
JT47	Network Circuit Line Charges	\$0	\$0
JT48	Other Charges	\$0	\$0
JT49	Mainframe Computer Software	\$0	\$0
Subtotal General Support (Indirect)		\$151,110	\$215,410
Total E&E Budget		\$27,386,355	\$28,116,320
Total Budget		\$29,372,730	\$30,235,961

**State of Missouri Communications
Cost Allocation Plan
Fiscal Year 2009**

Budget By Fund

	<u>Revolving Fund</u>
Personnel Service	\$1,514,029
Expense & Equipment	\$28,116,320
Fringe Benefits	<u>\$605,612</u>
Total	\$30,235,961

Communications Expenses By Fund



**State of Missouri Communications
Cost Allocation Plan
Fiscal Year 2009
Centrex Access**

Annual Estimated Utilization

Number of Lines:
245,868

Estimated Cost:

Direct Allocation - Expense and Equipment

<u>Description</u>		<u>FY08 Budget Amount</u>	<u>FY09 Budget Amount</u>
JR01	Centrex Lines - Embarq	\$3,312,811	\$3,287,972
JR02	Centrex Tax & Misc - Embarq	\$268,811	\$263,418
JR03	Centrex Fed End User - Embarq	\$634,554	\$489,137
JR11	Other Centrex Line Charges	\$12,851	\$0
JR22	Jeff City Music On Hold Circuit	\$977	\$1,009
Subtotal Expense and Equipment		\$4,229,027	\$4,041,536
Direct Personnel		\$0	\$92,712
Total Direct Allocation		\$4,229,027	\$4,134,248
Indirect Costs Allocated		\$170,999	\$14,572
Total Allocated Costs		\$4,400,026	\$4,148,820
Retained Earnings Reduction		-\$389,000	-\$125,394
RATF Transfer		\$66,183	\$0
Total Collectable Costs		\$4,077,209	\$4,023,427
<u>\$4,023,426.77</u>		=	\$16.36
245,868			
Additional Centrex Charges:			
FEDERAL UNIVERSAL FUND*			\$0.50
<u>MISSOURI UNIVERSAL FUND*</u>			<u>\$0.04</u>
TOTAL			\$16.90

**State of Missouri Communications
Cost Allocation Plan
Fiscal Year 2009
Plexar Access**

Annual Estimated Utilization

Number of Lines:
260,028

Estimated Cost:

Direct Allocation - Expense and Equipment

<u>Description</u>	<u>FY08 Budget Amount</u>	<u>FY09 Budget Amount</u>
JR06 Plexar Lines - AT&T	\$2,291,303	\$2,130,803
JR07 Plexar VFG Trunks - AT&T	\$645,765	\$554,912
JR08 Plex Fed End User 9ZR - AT&T	\$1,654,031	\$1,501,050
JR09 Plex Fed End Eucl Credit - AT&T	-\$1,461,036	-\$1,370,313
JR10 Plexar Miscellaneous - AT&T	\$214,150	\$193,844
Subtotal Expense and Equipment	\$3,344,213	\$3,010,296
Direct Personnel	\$0	\$129,087
Total Direct Allocation	\$3,344,213	\$3,139,384
Indirect Costs Allocated	\$213,748	\$14,572
Total Allocated Costs	\$3,557,962	\$3,153,956
Retained Earnings Reduction	-\$309,000	\$0
RATF Transfer	\$52,336	\$0
Total Collectable Costs	\$3,301,298	\$3,153,956
	<u>\$3,153,956</u>	=
	260,028	\$12.13
Additional Plexar Charges:*		
FEDERAL UNIVERSAL FUND*		\$0.08
<u>MISSOURI UNIVERSAL FUND*</u>		<u>\$0.04</u>
TOTAL		\$12.25

Plexar Pricing Policy:

- Lines added after the beginning of the fiscal year will be at cost if cost is greater than CAP until the next annual CAP is developed. New Plexar lines which cost more than CAP will be evaluated by the Rate Committee and may never be in the CAP rate.
- Customers pay all install charges.
- Rates are based on a 7-year agreement, customers pay all penalties related to early disconnects.

*Additional charges may increase or decrease throughout the Fiscal Year depending on FCC or PSC rulings.

**State of Missouri Communications
Cost Allocation Plan
Fiscal Year 2009
Data Circuits**

Annual Estimated Utilization

Actual Circuit Costs

Estimated Cost:

Direct Allocation - Expense and Equipment

<u>Description</u>	<u>FY08 Budget Amount</u>	<u>FY09 Budget Amount</u>
JR24 Metropolitan Area Network Services	\$167,952	\$420,868
JR27 Satellite Services	\$25,866	\$542,386
JR30 Frame Relay & Tariff Circuits	\$4,907,674	\$3,205,546
JR33 Service Center Transport Cost	\$0	\$39,539
JR35 Network Transport Circuits	\$2,388,686	\$2,484,478
JR37 ISDN-PRI	\$392,418	\$709,840
JR39 Voice Grade Circuits	\$87,177	\$67,162
JR46 MPLS	\$0	\$900,000
Subtotal Expense and Equipment:	\$7,969,773	\$8,369,820
Direct Personnel	\$0	\$443,744
Total Direct Allocation	\$7,969,773	\$8,813,564
Indirect Costs Allocated	\$338,920	\$264,486
Total Allocated Costs	\$8,308,693	\$9,078,051
Retained Earnings Reduction	0	\$0
Total Collectable Costs	\$8,308,693	\$9,078,051
	<u>\$9,078,051</u>	
	\$8,813,564	
	x 100% =	103%

**State of Missouri Communications
Cost Allocation Plan
Fiscal Year 2009
Internet Service**

Annual Estimated Utilization

Number of accounts:
52,085

Estimated Cost:

Direct Allocation - Expense and Equipment

<u>Description</u>	<u>FY08 Budget Amount</u>	<u>FY09 Budget Amount</u>
JT01 Prof. Training, Seminars and Education	\$ 5,000	\$ -
JT42 Telephones	\$ 1,500	\$ -
JI05 Server Hardware Upgrades	\$ 19,515	\$ -
JI06 Hardware, Software, Maintenance	\$ -	\$ 153,095
JI07 RealSystem Server Prof. Software Maint.	\$ 19,200	\$ -
JI08 Server Software Upgrades	\$ 161,000	\$ -
JI09 Virus & AntiSpam Software	\$ 27,611	\$ -
JI10 Secure Transaction Software	\$ 10,000	\$ -
JI11 Digital T1 (PRI) Data Circuits	\$ 3,200	\$ 19,515
JI12 Modem Pool Management Fee	\$ 4,600	\$ -
JI13 Equipment Maintenance	\$ -	\$ -
JI14 MoreNet Affiliate Fee	\$ 20,750	\$ 19,300
JI15 MoreNet Primary Connection	\$ 30,000	\$ 172,500
JI16 MoreNet Secondary Connection	\$ 5,000	\$ 104,250
JI17 MoreNet Connection Management Fee	\$ 71,000	\$ -
JI19 Staff Support	\$ 11,000	\$ -
JI21 MoreNet Consulting	\$ -	\$ 20,000
JI27 MoreNet Internet Connection Fee	\$ -	\$ 12,800
JI28 MoreNet Kinetic Mail & Webhosting Service	\$ 4,000	\$ -
JI29 MoreNet Funding Shortfall Assessment	\$ 6,820	\$ -
JI30 MySQL Annual Licensing Fees	\$ -	\$ -
JI31 "SDC Hub Fee" Adjustment	\$ 1,200	\$ -
JI32 Telephones	\$ 1,725	\$ -
Total Direct Expenses	\$ 404,370	\$ 501,459
Direct Personnel	\$0	\$182,752
Total Indirect Expenses	\$ 253,578	\$ 7,286
Total Allocated Costs	\$657,949	\$691,497
RATF Transfer	\$2,970	\$0
Retained Earnings Reduction	-\$127,661	-\$50,331
Total Collectable Costs	\$533,258	\$641,167
<u>\$641,167</u>	=	\$12.31
52085		

see distribution of costs, pages 27 & 28

**State of Missouri Communications
Cost Allocation Plan
Fiscal Year 2009
Network & Security Connection**

Annual Estimated Utilization

Number of accounts:
64,237

Estimated Cost:

Direct Allocation - Expense and Equipment

<u>Description</u>		<u>FY08 Budget Amount</u>	<u>FY09 Budget Amount</u>
J901	Hardware Maintenance - Network & Security	\$62,979	\$140,544
J902	Hardware Maint - Firewall	\$28,792	\$0
J903	Hardware Maint - Network Routers	\$48,773	\$0
J904	Software Maint - Network & Security	\$20,586	\$48,086
J905	Software Maint - Network Troubleshooting S	\$27,500	\$0
J906	Hardware Purchase - Network & Security	\$30,000	\$184,000
J907	Hardware Purchase - Network Switches, Hul	\$150,000	\$0
J908	Hardware Purchase - Tools for Staff	\$4,000	\$0
J909	Managed WAN Equipment	\$0	\$0
J910	Consulting Service - Network & Security	\$10,000	\$10,000
J911	Wiring and General Services - Network & Se	\$25,000	\$25,000
Subtotal Expense and Equipment:		\$407,630	\$407,630
Direct Personnel		\$0	\$114,371
Total Direct Allocation		\$407,630	\$522,001
Indirect Costs Allocated		\$0	\$7,286
Total Allocated Costs		\$407,630	\$529,287
Retained Earnings Reduction		-\$127,661	-\$105,025
Total Collectable Costs		\$407,630	\$424,262

*See Rate Schedule
page 29*

Annual Estimated Utilization
Actual Costs

Direct Allocation - Expense and Equipment

26

**State of Missouri Communications
Cost Allocation Plan
Fiscal Year 2009
Internet Fees (Annual)**

<u>Agency</u>	<u>Users</u>	<u>Annual Amount</u>
Senate	230	\$ 2,831
House	436	\$ 5,367
Legislative Research	35	\$ 431
State Courts Administrator	5062	\$ 62,313
Public Defenders	630	\$ 7,755
Governor's Office	86	\$ 1,059
Lt. Governor's Office	12	\$ 148
Secretary of State	262	\$ 3,225
State Auditor's Office	145	\$ 1,785
State Treasurer's Office	50	\$ 616
Attorney General's Office	413	\$ 5,084
OA-Commissioner's Office	22	\$ 271
OA-Accounting	62	\$ 763
OA-Budget & Planning	30	\$ 369
OA-Information Technology Services	205	\$ 2,524
OA-Facilities Management / D&C	283	\$ 3,484
OA-Personnel	81	\$ 997
OA-Purchasing & Materials Management	57	\$ 702
OA-General Services	110	\$ 1,354
OA-Children's Trust Fund	6	\$ 74
OA-Administrative Hearing Commission	19	\$ 234
OA-Excellence in Missouri Foundation	6	\$ 74
OA-Office of Child Advocate	5	\$ 62
Dept of Agriculture	299	\$ 3,681
Dept of Insurance	203	\$ 2,499
Insurance - Credit Union	10	\$ 123
Insurance - Finance	97	\$ 1,194
Insurance - Professional Registration	300	\$ 3,693
Dept of Conservation	1653	\$ 20,348
Dept of Economic Development	803	\$ 9,885
DED - Public Service Commission	201	\$ 2,474
Elementary & Secondary Education	895	\$ 11,017
DESE - Vocational Rehabilitation	329	\$ 4,050

**State of Missouri Communications
Cost Allocation Plan
Fiscal Year 2009
Internet Fees, cont'd (Annual)**

<u>Agency</u>	<u>Users</u>	<u>Annual Amount</u>
Commission for the Deaf	7	\$ 86
Coordinating Board for Higher Education	107	\$ 1,317
Dept of Health and Senior Services	2136	\$ 26,294
Dept of Transportation	5091	\$ 62,670
Labor & Industrial Relations	917	\$ 11,288
Dept of Mental Health	6479	\$ 79,756
Dept of Natural Resources	1473	\$ 18,133
DPS - Director's Office	54	\$ 665
DPS - SEMA	89	\$ 1,096
DPS - Capitol Police	18	\$ 222
DPS - Liquor Control	59	\$ 726
DPS - Fire Safety	23	\$ 283
DPS - Missouri Veteran's Commission	375	\$ 4,616
DPS - Missouri State Water Patrol	41	\$ 505
DPS - Adjutant General (MONG)	350	\$ 4,309
Missouri State Highway Patrol	2187	\$ 26,922
Gaming Commission	190	\$ 2,339
Dept of Revenue-Administration	0	\$ -
Dept of Revenue-Motor Vehicle & Drivers Lic	0	\$ -
Dept of Revenue-Taxation	0	\$ -
Dept of Revenue-Legal Services	1820	\$ 22,404
Dept of Revenue-Fiscal Services		\$ -
Dept of Revenue-Customer Services		\$ -
State Tax Commission	63	\$ 776
Lottery Commission	172	\$ 2,117
Dept of Social Services	9429	\$ 116,071
Dept of Corrections	7800	\$ 96,018
Missouri Consolidated Health Care	80	\$ 985
MOSERS	66	\$ 812
Ethics Commission	<u>22</u>	<u>\$ 271</u>
Total	52085	\$ 641,167

**State of Missouri Communications
Cost Allocation Plan
Fiscal Year 2009
Network and Security Connection Fees (Annual)**

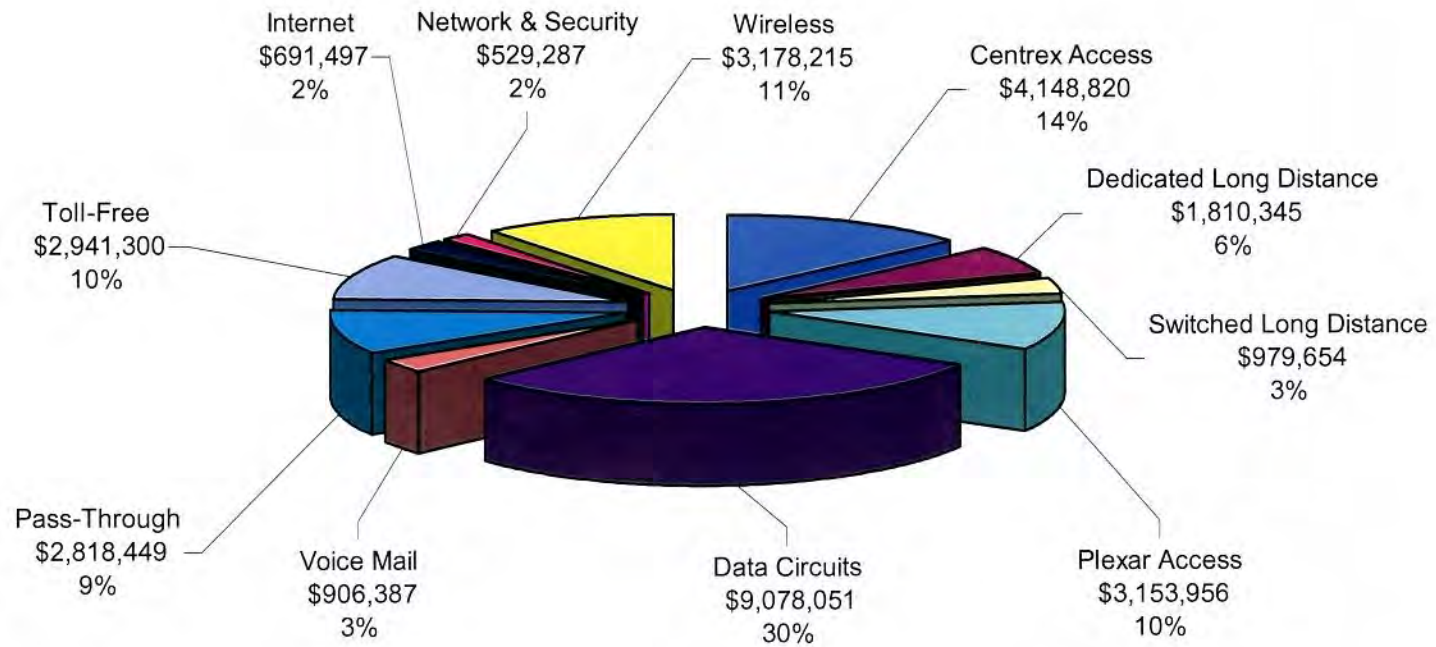
<u>Agency</u>	<u>Users</u>	<u>Annual Amount</u>
SENATE	214	\$ 492
HOUSE OF REPS	447	\$ 1,053
LEGISLATIVE RESEARCH	44	\$ 100
STATE COURTS ADMIN	3750	\$ 9,182
PUBLIC DEFENDER COMM	561	\$ 1,318
GOVERNOR	29	\$ 66
LIEUTENANT GOVERNOR	4	\$ 9
SECRETARY OF STATE	292	\$ 1,449
AUDITOR	129	\$ 327
TREASURER	52	\$ 127
ATTNY GENERAL	454	\$ 1,036
OA	2062	\$ 25,801
AGRICULTURE-ITSD	497	\$ 1,172
INSURANCE-ITSD	746	\$ 1,909
CONSERVATION	2193	\$ 5,167
ECONOMIC DEVELOPMENT-ITSD	795	\$ 2,690
PUBLIC SERVICE COMMISSION	197	\$ 482
ELEMENTARY & SECONDARY ED	2656	\$ 6,568
HIGHER EDUCATION-ITSD	70	\$ 184
COLLEGES & UNIVERSITIES	0	\$ 3
JUNIOR COLLEGES	0	\$ -
HEALTH AND SENIOR SERVICES-ITSD	1915	\$ 13,825
HIGHWAYS & TRANSPORTATION	6644	\$ 16,901
LABOR & INDUSTRIAL RELATIONS-ITSD	757	\$ 8,729
MENTAL HEALTH-ITSD	10778	\$ 30,289
NATURAL RESOURCES-ITSD	2312	\$ 8,231
PUBLIC SAFETY-ITSD	3319	\$ 7,965
HIGHWAY PATROL	2347	\$ 33,256
KC ALERT	0	\$ 428
REJIS	0	\$ 1,216
REVENUE-ITSD	1438	\$ 53,977
SOCIAL SERVICES-ITSD	8582	\$ 163,972
CORRECTIONS-ITSD	10953	\$ 26,264
OTHER CUSTOMERS (NON-AGENCY)	0	\$ 75
 TOTAL	 64237	 \$ 424,262

STATE OF MISSOURI COMMUNICATIONS
COST ALLOCATION PLAN
Fiscal Year 2009
RATE CALCULATION SUMMARY

	CENTREX ACCESS	Dedicated LONG DISTANCE	Switched LONG DISTANCE	PLEXAR ACCESS	DATA CIRCUITS	VM ADMIN. CHARGE	PASS THRU	TOLL FREE	INTERNET SERVICE	NETWORK & SECURITY CONNECTION	WIRELESS SERVICE	TOTAL
DIRECT ALLOCATION												
PERSONNEL SERVICE	\$ 92,712	\$42,105	\$72,616	\$129,087	\$443,744	\$ 184,542	\$168,214	\$60,378	\$182,752	\$114,371	\$115,919	\$1,606,439
EXPENSE and EQUIPMENT	\$4,041,536	\$1,715,780	\$880,080	\$3,010,296	\$8,369,820	\$623,482	\$2,568,267	\$2,782,560	\$501,459	\$407,630	\$3,000,000	\$27,900,910
SUBTOTAL	\$4,134,248	\$1,757,885	\$952,696	\$3,139,384	\$8,813,564	\$808,024	\$2,736,480	\$2,842,938	\$684,211	\$522,001	\$3,115,919	\$29,507,349
INDIRECT ALLOCATION												
PERSONNEL SERVICE	\$10,264	\$36,951	\$18,988	\$10,264	\$186,293	\$69,282	\$57,735	\$69,282	\$5,132	\$5,132	\$43,879	\$513,203
EXPENSE and EQUIPMENT	\$4,308	\$15,510	\$7,970	\$4,308	\$78,194	\$29,080	\$24,234	\$29,080	\$2,154	\$2,154	\$18,418	\$215,410
SUBTOTAL	\$14,572	\$52,460	\$26,959	\$14,572	\$264,486	\$98,363	\$81,969	\$98,363	\$7,286	\$7,286	\$62,296	\$728,613
TOTAL ALLOCATED COSTS	\$4,148,820	\$1,810,345	\$979,654	\$3,153,956	\$9,078,051	\$906,387	\$2,818,449	\$2,941,300	\$691,497	\$529,287	\$3,178,215	\$30,235,961
RETAINED EARNINGS REDUCTION RATE TRANSFER	-\$125,394								-\$50,331	-\$105,025		-\$280,749
COLLECTABLE COSTS	\$4,023,427	\$1,810,345	\$979,654	\$3,153,956	\$9,078,051	\$906,387	\$2,818,449	\$2,941,300	\$641,167	\$424,262	\$3,178,215	\$29,955,212
UTILIZATION	245,868 LINES	31,816,255 MIN	13,260,757 MIN	260,028 LINES	\$8,813,564 COST	241,656 LINES	\$ 2,736,480 COST	51,682,608 MIN	52085 ACCOUNTS	64237 USER	\$3,115,919 COST	
RATE	\$16.36	\$0.0569	\$0.0739	\$12.13	103%	\$3.75	103%	\$0.0569	\$ 12.31	\$ 6.60	102%	
FED UNIVERSAL FUND*	\$0.50			\$0.08								
MO UNIVERSAL FUND*	\$0.04			\$0.04								
TOTAL	\$16.90			\$12.25								

*Additional charges may increase or decrease throughout the Fiscal Year depending on FCC or PSC rulings.

Total Allocated Cost by Rate Category



**STATE OF MISSOURI TELECOMMUNICATIONS
COST ALLOCATION PLAN
Fiscal Year 2009
RATE SUMMARY**

CAP Rates

Centrex Access	\$16.36 per line + FCC costs
Dedicated Long Distance	\$0.0569 per minute
Switched Long Distance	\$0.0739 per minute
Plexar Access	\$12.13 per line + FCC costs
Data Circuits	103.00% of actual cost
Voice Mail (standard mailbox)	\$3.75 per mailbox
Pass-Through Telephone Service	103% of actual cost
Toll-Free	\$0.0569 per minute
Internet	\$12.31 per account
Network & Security	see rate schedule
Wireless	102% of actual cost

Directory Assistance

Intrastate	\$1.99 per call
Interstate	\$1.99 per call
Toll	Actual Cost

Conference Calls

Progressive	\$10.00 per hour
Meet-Me	\$5.00 per hour

Contract Services

Calling Card Cost (per minute)	\$.07 day/evening/night/weekend
ISDN Calls	\$.13 day/evening/night/weekend